

# Operational Protocol

## Sharing intelligence and planned work between Audit Scotland and NHS Quality Improvement Scotland

January 2009



### Background

1. In July 2005, a Memorandum of Understanding was agreed between Audit Scotland and NHS Quality Improvement Scotland (NHS QIS). This set out broad principles for collaborative working between NHS QIS and Audit Scotland and covered issues such as sharing information, communication and liaison, and avoiding duplication of work. This related specifically to Audit Scotland's national reporting work.
2. This operational protocol supplements the Memorandum of Understanding by providing operational guidance on joint working between Audit Scotland and NHS QIS, specifically in terms of sharing information and intelligence.
3. There are two main strands to **Audit Scotland** work:
  - national reporting work – this work is led by the Audit Scotland Public Reporting Group (PRG). It looks at specific issues across NHS bodies and results in national reports.
  - local audit work – this work is carried out by local appointed external auditors (Audit Scotland's Audit Services Group and private firms appointed by the Auditor General). It looks at financial statements, governance and performance management and is starting to look at elements of Best Value.<sup>1</sup> This work results in an annual report to the audited body, which is a public report, and other local reports.
4. Audit Scotland supports the work of the Auditor General for Scotland (AGS) and the Accounts Commission. The AGS is responsible for the audits of NHS and central government bodies. The Accounts Commission is responsible for audits of local authorities, including Best Value audits. Audit Scotland produces separate Best Value reports on local authorities for the Accounts Commission. These comment on partnership arrangements and are of relevance to NHS bodies.
5. **NHS QIS** sets standards of care and provides advice and guidance on effective clinical practice for the NHS in Scotland. It also assesses the performance of the NHS boards and reports and publishes its findings locally and nationally in order to drive and support improvements in the quality of clinical services.
6. Internal audit work is carried out by internal auditors appointed by the NHS body. Internal auditors look at key risks relating to internal controls agreed with the NHS body, and this results in internal reports for the NHS body. Both NHS QIS and the local external auditors liaise with the internal auditors when planning their work to identify any areas where they can draw on the findings from internal audit.
7. The importance of joint scrutiny arrangements has been emphasised by the recent Crerar review. The principles of good scrutiny detailed in the Crerar review are that it has a public focus and is independent, proportionate, transparent and accountable.<sup>2</sup> This protocol applies these principles to the work of Audit Scotland and NHS QIS.
8. In general, there are clear differences in the NHS issues addressed by Audit Scotland and NHS QIS and each organisation has different areas of responsibility (appendix A). There are some areas where both organisations have a responsibility and where the two will work together to actively coordinate work and to ensure it is proportionate, draws on previous findings and adds value. This particularly relates to risk management and performance management.

<sup>1</sup> Local authorities have a statutory duty in relation to Best Value, as defined by the Scottish Government. Audit Scotland has produced Best Value reports on local authorities since 2004/05. These reports are published by the Accounts Commission. Audit Scotland is now considering its approach to Best Value in the NHS and in central government bodies and has been developing an approach that is integrated with the local annual audit work. This approach is still under development.

<sup>2</sup> *The Crerar review: the report of the independent review of regulation, audit, inspection and complaints handling of public services in Scotland.* Scottish Government, 2007.

## Objectives

9. The overall objectives of a collaborative approach between Audit Scotland and NHS QIS are to:
  - help ensure the effectiveness of Audit Scotland and NHS QIS in fulfilling their responsibilities
  - minimise the burden of scrutiny on NHS bodies
  - help to provide consistent feedback to NHS bodies.
10. This will be achieved by:
  - coordinating the timing and approach of Audit Scotland and NHS QIS work
  - helping to identify and monitor key risks through sharing intelligence and information
  - building on each other's work to maximise its value
  - drawing on, and taking account of, each other's work
  - avoiding any significant duplication of effort.

## Overall approach

11. The sharing of information and intelligence between NHS QIS and Audit Scotland should seek to avoid any excessively formal and bureaucratic procedures. It should be embedded in the processes of both organisations, with a proactive sharing of significant issues as they emerge.
12. In order to help encourage the sharing of information and intelligence, each organisation will nominate an individual who will be the single contact point. This individual can then ensure that the relevant documents are speedily passed across, or can arrange for the relevant team members to be contacted. The Audit Scotland contact will act as the contact for national studies work done by Audit Scotland PRG and local audit work by the appointed auditors.
13. Unless specifically requested, it will not normally be necessary to share comprehensive details of audit or review findings. In most cases, these will not impact on the work of the other organisation. Instead, the emphasis should be on 'less is more': sharing information on key issues and potential risks which are likely to be of interest.
14. Where possible, Audit Scotland and NHS QIS will draw on each other's findings in their own reports.

## Sharing intelligence and information

15. Collaborative working should be seen as more than simply sharing documents and information. The sharing of 'intelligence' can be of great importance. It is likely that audits and reviews will not include sufficient time to carry out comprehensive reviews of all areas. There may also be an absence of 'hard' information to support certain indicative conclusions, which therefore will not appear in formal reports. Intelligence should include aspects such as: key players within the client organisation, management styles, organisational culture, and consideration of areas in need of more detailed review.
16. In broad terms, there are three main areas of information and intelligence which should be shared between Audit Scotland and NHS QIS:
  - programme of planned audits and reviews
  - findings – Audit Scotland and NHS QIS will send reports directly to each other and will not need to ask the boards to provide them (these reports are in the public domain)
  - high level information on significant potential concerns and risks.
17. Information and intelligence will be shared between the organisations through quarterly meetings and ongoing communication.

## Programme of planned audits and reviews

18. In order to help reduce the burden of scrutiny, particularly for smaller clients, Audit Scotland and NHS QIS should seek to avoid being on site at the same time. Audit Scotland and NHS QIS will share their work plans for local reviews. Audit Scotland will also share the timing of any local non-financial (performance audit) studies which may impact on the work of NHS QIS.
19. The scope of planned work should also be shared. This will help prevent any duplication of effort.

## Actions:

- *The Audit Scotland single point of contact and the local audit engagement lead should discuss the planned work of Audit Scotland's appointed auditors at each NHS body, where it covers areas of mutual interest such as clinical governance, risk management and performance management, with the NHS QIS single point of contact, while developing their Audit Plans for each NHS and special health board. This is normally around December each year. The Audit*

*Plans identify the key areas of audit work and the dates when the audit work will take place.*

- *NHS QIS should discuss their planned programme of local inspections with Audit Scotland, particularly where it covers areas of shared interest, such as performance management and risk management.*
- *Audit Scotland PRG should discuss the proposed scope of all appropriate national studies with NHS QIS at an early stage and share final project briefs.*
- *NHS QIS should discuss the proposed scope of reviews with Audit Scotland at an early stage.*
- *Where appropriate, Audit Scotland and NHS QIS should revise their work plans in light of relevant work being carried out by the other body and draw on each other's findings in their own reports.*

## Findings

20. All key findings should be shared between NHS QIS and Audit Scotland. In most cases, it will be sufficient simply to share the finalised report. However, where either organisation identifies potentially significant findings of relevance to the other, it is appropriate to share high level draft findings informally, eg through phone calls or emails. The NHS bodies concerned will be advised of this. Draft national reports may also be shared at the clearance stage where appropriate.
21. Audit Scotland's national reports are subject to a formal clearance process with the Scottish Government. The Scottish Government has the report for three weeks and is asked to comment on any matters of factual accuracy. The data in national reports are cleared with NHS bodies but they do not see the draft report. Draft local reports by both Audit Scotland and NHS QIS are shared with the NHS bodies and agreed with them prior to being made public. NHS QIS national reports are shared with the Scottish Government Health Directorates and NHS boards one week in advance of publication in order that the Scottish Government can be appraised of the findings.
22. Clearance reports and draft findings need to be treated in confidence. Their content, conclusions and recommendations should not be shared or commented on with NHS bodies or other stakeholders, unless specifically agreed with NHS QIS/Audit Scotland. It will also be necessary to accept that the content and conclusions of any clearance report may be altered when the report is finalised.

23. There may be a reluctance to share early outline drafts, particularly where tentative conclusions are still being developed. Normally, in these circumstances, it will make sense to wait until a final draft is available. Where urgent requests for information are received, key thoughts can be shared via phone calls or emails.
24. Normally, it will be sufficient simply to share summary conclusions and information. Where necessary, however, NHS QIS or Audit Scotland staff should be given access to the evidence collected as part of reviews in order to obtain more detailed information and to avoid additional work for the NHS bodies. This would be subject to specific agreement by Audit Scotland and NHS QIS management.

## Actions:

- *In most cases, it will be sufficient simply to share finalised reports between Audit Scotland and NHS QIS where relevant. However, where there are significant findings which will be of interest to the other organisation, a summary of the key issues should be provided, possibly by telephone or email, and the NHS body advised of this. Where appropriate, draft reports may be shared at the clearance stage and draft local findings shared as part of informal intelligence sharing. This is also an opportunity for Audit Scotland and NHS QIS to discuss and clarify potentially different findings.*

## Potential concerns and risks

25. In addition to formal findings, supported by structured evidence, an audit or review may reveal concerns or potential risks about areas not subjected to detailed investigation.
26. These concerns could be shared at team briefings – for example, at the start of a NHS QIS review or at the start of the annual audit – or informally by email or phone calls.

## Actions:

- *When NHS QIS is preparing for a local review, the local auditor should be invited to attend an informal briefing to help flag up key findings or concerns relating to the NHS body.*
- *The local audit engagement leads will meet with the Audit Scotland and NHS QIS single points of contact to share the proposed audit plans and key risks identified for each NHS body. NHS QIS will also be invited to the Audit Scotland health sector meeting in the autumn where key audit risks across NHS bodies are discussed.*

- *On an ad hoc basis, both NHS QIS and Audit Scotland should share key concerns about NHS bodies which are likely to be of mutual interest.*

Appendix B summarises the information that will be shared between NHS QIS and Audit Scotland.

## **Review**

27. The operational protocol will be reviewed after it has been in use for a year. The review will focus on:

- the additional time spent by Audit Scotland and NHS QIS staff to put the protocol into practice, eg the additional time spent in meetings to share intelligence and information
- the amount of audit and inspection activity carried out by Audit Scotland and NHS QIS at NHS boards
- feedback from NHS boards on whether the work of Audit Scotland and NHS QIS is more co-ordinated.

**Version 1, January 2009.**

**Due for review January 2010.**




## Appendix A - Overall map of lead responsibilities

Main areas of governance – lead responsibilities			
	NHS QIS	Audit Scotland	Comments
<b>NHS QIS Standards for Clinical Governance and Risk Management</b>			
Risk management			This is an area of shared interest. NHS QIS leads on clinical risk management; Audit Scotland leads on all other aspects. The two organisations will share information and intelligence to build on each other's work, get most value from the two strands and minimise any potential duplication. They will also take account of each other's work.
Emergency planning			This is an area of some shared interest. NHS QIS leads on continuity of clinical care; Audit Scotland leads on wider business continuity including information technology. Audit Scotland PRG is leading a national study on civil contingency planning that includes the NHS. The two organisations will share information and intelligence to build on each other's work, get most value from the different strands and minimise any potential duplication. They will also take account of each other's work.
Clinical effectiveness			
Access, referral, treatment, discharge			
Equality & diversity			Audit Scotland is likely to look at this in the future as it is a Best Value duty.
Communication			Audit Scotland may look at public performance reporting in future years as responsiveness and consultation are part of the Best Value duties.
Clinical governance			Audit Scotland local audit looks at clinical governance arrangements, but takes assurance from NHS QIS.
Fitness to practice			Audit Scotland local audit looks at staff governance and AS PRG may report on this nationally. But this will not look at fitness to practice issues.
External communication			Audit Scotland may look at public performance reporting in future years as responsiveness and consultation are part of the Best Value duties.
Performance management			This is an area of shared interest. NHS QIS leads on clinical performance management; Audit Scotland leads on financial and general performance management issues, including overall reporting arrangements. The two organisations will share information and intelligence to build on each other's work, get most value from the two strands and minimise any potential duplication. They will also take account of each other's work.
Information governance			Audit Scotland has an interest in issues relating to FOI, the Data Protection Act and data sharing as part of its governance work. Reviews against the NHS QIS standards are being taken forward by NHS National Services Scotland (NSS). This area will be kept under review.

	NHS QIS responsibility		Potential future AS responsibility
	AS responsibility		Limited AS involvement

**Scottish Government Best Value criteria**

	<b>NHS QIS</b>	<b>Audit Scotland</b>	<b>Comments</b>
Commitment & Leadership			NHS QIS covers leadership on clinical matters; Audit Scotland will cover all other aspects. This is still being developed.
Governance arrangements			This is an area of shared interest. NHS QIS covers clinical governance and aspects of risk management and Audit Scotland will be looking at these broader governance issues, drawing on the NHS QIS work. The two organisations will share information and intelligence to build on each other's work, get most value from the two strands and minimise any potential duplication. They will also take account of each other's work where appropriate.
Use of resources			
Accountability			NHS QIS looks at this as part of clinical governance and Audit Scotland will look at it as part of its performance audit and Best Value work. The two organisations will share information and intelligence to build on each other's work, get most value from the two strands and minimise any potential duplication.
Responsiveness and consultation			NHS QIS has responsibilities relating to public focus and patient involvement. Audit Scotland will look at this at some stage as part of its Best Value work on accountability. The two organisations will share information and intelligence to build on each other's work, get most value from the two strands and minimise any potential duplication.
Use of review and option appraisal			
Joint working			NHS QIS covers quality assurance systems for services provided jointly with other agencies and takes part in multi-agency inspections.
Sustainable development			Audit Scotland will look at this at some stage as part of its Best Value work.
Equal opportunities			Audit Scotland will look at this at some stage as part of its Best Value work.

	NHS QIS responsibility		Potential future AS responsibility
	AS responsibility		Limited AS involvement

## Appendix B - Summary of shared information

NHS QIS	Audit Scotland	
	Appointed auditors	Public Reporting
Proposed forward work programmes for national and local inspections	Proposed audit plan for each client	Proposed forward work programmes for national studies
Signed-off forward work programmes for national and local inspections	Signed-off audit plan for each client	Signed-off forward work programmes for national studies
Intelligence on NHS bodies	Intelligence on NHS bodies	Intelligence on NHS bodies
High level draft findings where appropriate	High level draft findings where appropriate	Clearance drafts where appropriate
Published reports	Final Reports to Members Non-financial reports	Published reports